



ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

39 October 8, 2013

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

Los Angeles County Board of Supervisors

October 08, 2013

Gloria Molina
First District

Mark Ridley-Thomas
Second District

Zev Yaroslavsky
Third District

Don Knabe
Fourth District

Michael D. Antonovich
Fifth District

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

APPROVAL TO AMEND THE ON-SITE DOCUMENT SCANNING SERVICES AGREEMENT (ALL SUPERVISORIAL DISTRICTS) (3 VOTES)

Mitchell H. Katz, M.D.
Director

Hal F. Yee, Jr., M.D., Ph.D.
Chief Medical Officer

Christina Ghaly, M.D.
Deputy Director, Strategic Planning

SUBJECT

Approval to amend the Proposition A Agreement with Caban Resources, LLC to add High Desert Multi-Service Ambulatory Care Center, a Department of Health Services facility, for the provision of on-site document scanning services, and to increase the Maximum Agreement Sum.

313 N. Figueroa Street, Suite 912
Los Angeles, CA 90012

Tel: (213)240-8101
Fax: (213) 481-0503

www.dhs.lacounty.gov

To ensure access to high-quality,
patient-centered, cost-effective health
care to Los Angeles County residents
through direct services at DHS facilities
and through collaboration with
community and university partners.

IT IS RECOMMENDED THAT THE BOARD:

1. Make a finding pursuant to Los Angeles County Code Section 2.121.420 that on-site document scanning services, as described herein, continues to be performed more economically by an independent contractor.
2. Instruct the Chairman to execute Amendment No. 4 to Agreement No. 77273 with Caban Resources, LLC (Caban), to: (i) add on-site document scanning services (scanning services) at High Desert Multi-Service Ambulatory Care Center (HD MACC); and (ii) authorize the increase to the County's Maximum Agreement Sum, from \$9,621,888 to \$11,890,657, for the entire Agreement term of May 11, 2010 through June 30, 2014. for total increase of \$2,268,769, to provide funding for scanning services at HD MACC and to fund the remaining months of the Agreement's first option year effective upon Board



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approval through June 30, 2014 for the continuation of scanning services at Harbor-UCLA Medical Center (H-UCLA MC), LAC+USC Medical Center (LAC+USC MC) and Rancho Los Amigos National Rehabilitation Center (RLANRC).

3. Delegate authority to the Director of Health Services (Director), or his designee, to execute Amendments to the Agreement to increase the Maximum Agreement Sum by no more than \$3,471,196 in conjunction with exercising his existing delegated authority to amend the Agreement for an additional option year from July 1, 2014 through June 30, 2015, if necessary, subject to prior review and approval by County Counsel and notification to the Board and Chief Executive Office (CEO).

4. Delegate authority to the Director or his designee, to execute Amendments to authorize additional as needed services and to increase the County's maximum obligation going forward under the Agreement by an amount not to exceed \$347,119 annually which represents ten percent of \$3,471,196, the new annual agreement maximum.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the first recommendation is necessary to comply with Los Angeles County Code Section 2.121.420. Contracting under Proposition A (Prop A) requirements for the provision of scanning services has been determined to be cost-effective by the DHS and the Auditor-Controller (A-C). Attachment B provides the cost analysis.

Approval of the second recommendation will allow the Chair to execute an amendment to the Agreement with Caban, Exhibit I, for performance of services associated with scanning of paper medical records into the DHS' electronic document management system, Quantim Electronic Data Management, at HD MACC. HD MACC has deployed a medical records scanning project with DHS staff placed on light or restricted duty in preparation for the move to a newly constructed facility in 2014 where, by design (and in anticipation of the implementation of the electronic medical records environment with the Online Real-Time Clinical Health Information Database aka "ORCHID"), storage space for medical records will be very limited. However, HD MACC has determined that, due to a lack of sufficient DHS resources available to work on this project, timely completion of the project requires the additional contracted resources. Therefore, the scope of the Caban Agreement needs to be expanded in order for HD MACC to obtain much needed temporary scanning services to keep the project on target and be able to access all its patients' medical records when the new facility is opened.

The second recommendation will also ensure that the first option year the Board previously authorized shall be fully funded. On May 11, 2010 the Board delegated authority to DHS to extend the term by two option years. However, when the original term was about to expire, DHS realized that the original Board letter may have implied authorization to increase the Maximum Agreement Sum but it had not been specifically requested.

To ensure that the Agreement did not expire and due to the fact that the Agreement still had some unused funds, DHS exercised its delegated authority to extend the Agreement term for the first option year, July 1, 2013 through June 30, 2014. DHS extended the Agreement without increasing the Maximum Agreement Sum. However, the current funding for this service will be depleted by November 2013. Therefore, DHS is requesting authority to increase the Maximum Agreement Sum

to pay for continuing services through June 30, 2014.

Approval of the third recommendation is needed to allow the Director to increase the Maximum Agreement Sum accordingly should DHS determine it necessary to exercise its option to extend the Agreement term for one more year.

Approval of the fourth recommendation will allow the Director to address any unforeseen needs to increase the number of temporary staff Caban provides at the participating DHS facilities on condition that the cost does not exceed ten percent of \$3,471,196, the new annual agreement maximum as set forth in Attachment A. Approval of this recommendation, will allow for a potential annual increase of \$347,119, going forward to the total Maximum Agreement Sum.

Implementation of Strategic Plan Goals

The recommended actions support Goal 1, Operational Effectiveness, and Goal 2, Fiscal Sustainability of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

The County's estimated cost for FY 2013-14 is \$3,471,196. However, the Maximum Agreement Sum will only be increased \$2,268,769 million, from \$9,621,888 to \$11,890,657, because \$1,202,427 of the Agreement Sum will be funded by unused funds (Attachment A), to sustain the provision of scanning services at RLANRC, H-UCLA MC, LAC+USC MC and HD MACC based on the same hourly rates currently reflected in the Agreement through June 30, 2014.

The Department has prepared the cost analysis for the total cost of Agreement from July 1, 2013 through June 30, 2014 in the amount of \$3,471,196 for scanning services at RLANRC, H-UCLA MC, LAC+USC MC and HD MACC, in accordance with Auditor-Controller (A-C) guidelines and methodologies, and determined that the addition of these services is cost-effective, with a total cost savings of \$1,856,557.93 (34.85%) (Attachment B). The A-C previously reviewed and approved the Department's cost analysis for the original contract amount of \$8,826,288 with the same hourly rates.

Funding is included in DHS Fiscal Year (FY) 2013-14 Adopted Budget and will be requested in future fiscal years.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Caban currently provides scanning services at H-UCLA, LAC+USC MC and RLANRC, which includes scanning medical record documents directly into the Quantim EDM. Once ORCHID is fully implemented, DHS anticipates that the volume of work associated with medical record scanning at all DHS facilities will diminish to such an extent that in the future the services under this Agreement may be fully performed by County employees.

It has been determined that the provision of services by the Contractor under this Amendment is subject to Prop A guidelines which include the Living Wage Program set forth in Los Angeles County Code Chapter 2.201. Contractor is in compliance with the Living Wage Program requirements.

The continuation of this Agreement will not result in unauthorized disclosure of confidential information.

County Counsel has reviewed and approved Exhibit I as to form.

CONTRACTING PROCESS

On December 28, 2009, DHS issued a Request for Statements of Interest (RFSI) on the County's vendor website and notice of the availability was e-mailed to the Department's mailing list, in order to identify interest from private sector organizations willing and capable of providing scanning services at DHS facilities. Caban was selected as a result of the process and the Board approved the subsequent Agreement that is being amended.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Prop A requires that departments assess any potential impact of the recommended Agreement. There is no risk exposure to the County. The continuation of this Agreement will not infringe on the role of the County in its relationship to its residents, and the County's ability to respond to emergencies will not be impaired. The Agreement will not result in reduced services, and there is no employee impact as a result of the continuation of this Agreement since services are currently being provided under a contract. In addition, the Department has determined that it has alternative resources available in the event of default.

Approval of the recommended Amendment will ensure DHS is able to continue the transition to electronic health records at DHS facilities.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mitchell Katz".

Mitchell H. Katz, M.D.

Director

MHK:at

Enclosures

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors

Attachment A

**DEPARTMENT OF HEALTH SERVICES
ESTIMATED CONTRACT COST SUMMARY
FOR
ON-SITE DOCUMENT SCANNING SERVICES**

	2009-10*	2010-11	2011-12	2012-13	Total	
Agreement Sum	\$ 606,300	\$ 3,111,596	\$ 2,951,996	\$ 2,951,996	\$ 9,621,888	**
Actual Expenditures	\$ 160,396	\$ 2,413,224	\$ 2,960,155	\$ 2,885,686	\$ 8,419,461	
Total Agreement Sum					\$ 1,202,427	

Estimated Cost FY 2013-14	\$ 3,471,196
Less Available Saving/Variance	\$ (1,202,427)
Recommended Increase to County's maximum obligation in Amendment No. 4	\$ 2,268,769

Total Recommended Agreement Sum in Amendment 4 \$ 11,890,657

* May 10, 2010 (Date of Board approval) through June 30, 2010

**County's maximum obligation from Base Agreement through Amendment No. 2

COUNTY OF LOS ANGELES - DEPARTMENT OF HEALTH SERVICES
ON-SITE DOCUMENT SCANNING SERVICES - PROPOSITION A CONTRACTING
RANCHO LOS AMIGOS NATIONAL REHABILITATION CENTER
HARBOR-UCLA MEDICAL CENTER
LAC+USC HEALTH CARE NETWORK
HIGH DESERT HEALTH SYSTEM - MULTISERVICE AMBULATORY CARE CENTER

COST COMPARISON FOR SCANNING SERVICES

COUNTY

DIRECT

Salaries	\$3,768,723.72
Employee Benefits	\$1,559,030.21
Total Labor	\$5,327,753.93

TOTAL COUNTY COST \$5,327,753.93

CONTRACTOR

DIRECT

Salaries	\$3,471,196.00 *
Employee Benefits	\$0.00
Total Labor	\$3,471,196.00

TOTAL CONTRACTOR COST \$3,471,196.00

ANNUAL ESTIMATED SAVINGS FROM CONTRACTING \$1,856,557.93

SAVINGS PERCENTAGE 34.85%

* Includes Employee Benefit Rates

Agreement No. 77273

ON-SITE DOCUMENT SCANNING SERVICES**AMENDMENT NO. 4**

THIS AMENDMENT is made and entered into this 8th day
of October 2013,

By and between

COUNTY OF LOS ANGELES
(hereafter "County"),

and

CABAN RESOURCES, LLC
(hereafter "Contractor")

Business Address:

130 Arena Street
El Segundo, California 90245

WHEREAS, reference is made to that certain document entitled "ON-SITE DOCUMENT SCANNING SERVICES" dated May 11, 2010, and further identified as Agreement No. 77273, and any amendments thereto (all hereafter referred to as "Agreement"); and

WHEREAS, pursuant to California Health and Safety Code, Sections 1441 and 1445, County has established and operates, through its Department of Health Services (hereinafter "Department"), various County hospitals, comprehensive health centers and health centers, including the Harbor-UCLA Medical Center (H-UCLA MC), LAC+USC Medical Center (LAC+USC MC), Rancho Los Amigos National Rehabilitation Center (RLANRC), and High Desert Health System - Multiservice Ambulatory Care Center ("HD MACC"); and

WHEREAS, Contractor is currently providing On-Site Document Scanning Services ("Services") at H-UCLA MC, LAC+USC MC, and RLANRC; and

WHEREAS, it is the intent of the parties hereto to amend the Agreement to add HD MACC as a service site, and increase the Maximum Agreement Sum by \$2,268,769, not to exceed a Maximum Agreement Sum of \$11,890,657, and provide for other changes set forth herein; and

WHEREAS, the Agreement provides that changes in accordance with Paragraph 8.1 may be made in the form of an Amendment which is formally approved and executed by the parties.

NOW, THEREFORE, THE PARTIES HERE TO AGREE AS FOLLOWS:

1. This Amendment shall commence and be effective on execution. The date of execution is set forth on Page One of this Amendment.

2. Agreement, Paragraph 5.0, Agreement Sum, Billing and Payment, Sub-paragraph 5.1, is deleted in its entirety and replaced as follows:

"5.1 County's total maximum, not to exceed, cost for all services described in this Agreement, including but not limited to in Exhibit A, and at the rates described in Exhibit B, is \$11,890,657 (hereafter "Maximum Agreement Sum"). The Maximum Agreement Sum is further divided into sub-maximums, not-to-exceed, County costs based on service dates. These sub-maximum, not to exceed, costs, are also for all services described in this Agreement, including but not limited to in Exhibit A, and at the rates described in Exhibit B, and shall be as follows:

5.1.1 Between May 11, 2010 through June 30, 2010 County cost shall not exceed \$160,396.

5.1.2 Between July 1, 2010 through June 30, 2011 County cost shall not exceed \$2,413,224.

5.1.3 Between July 1, 2011 through June 30, 2012 County cost shall not exceed \$2,960,155.

5.1.4 Between July 1, 2012 through June 30, 2013 County cost shall not exceed \$2,885,686.

5.1.5 Between July 1, 2013 through June 30, 2014 County cost shall not exceed \$3,471,196."

3. Agreement, Paragraph 5.0, Agreement Sum, Billing and Payment, Sub-paragraph 5.2, is deleted in its entirety and replaced as follows

"5.2 Beginning July 1, 2013, the Director, or his designee, may increase the Maximum Agreement Sum by no more than \$347,119 annually, in order to increase services by additional staff, if needed. To implement such a change a written amendment to the Agreement, which is formally executed by the parties, must be executed."

4. Agreement Paragraph 5.0 Agreement Sum, Billing and Payment, Sub-paragraph 5.7.5, is deleted in its entirety and replaced as follows:

"5.7.5 All invoices under this Agreement shall be submitted in two (2) copies to the following address:

A. For services rendered at Harbor:

1000 W. Carson Street
Torrance, California 90509
Attn: Expenditure Management

B. For services rendered at LAC+USC:

P.O. Box 861749
Los Angeles, California 90086
Attn: Expenditure Management

C. For services rendered at Rancho:

7601 E. Imperial Highway
Downey, CA 90242
Attn: Expenditure Management

D. For services rendered at HD MACC:

44900 North 60th Street West
Lancaster, CA 93536
Attn: Expenditure Management"

5. Agreement, Paragraph 8.0, Standard Terms and Conditions, Sub-paragraph 8.1 Amendments, is deleted in its entirety and replaced as follows:

"8.1 Amendments – In compliance with Los Angeles County Code Section 2.121.300.B, the County's Board of Supervisors has delegated authority to the Director to renew or modify the Agreement as described below:

8.1.1 Director or designee may, during the term of the Agreement, extend the term for one additional year and increase the County's Maximum Agreement Sum accordingly. To implement the term extension and increase Maximum Agreement Sum, a written Amendment shall be prepared by the County and executed by the Contractor and the Director, or his/her designee.

8.1.2 Director, or designee, may amend this Agreement in accordance with subparagraph 5.2 to address any unforeseen needs to increase the number of temporary staff to provide scanning services. To implement such a change, a written amendment to

the Agreement, which is formally executed by the parties, must be executed."

- 8.1.2 The County's Board of Supervisors or Chief Executive Officer or designee may require the addition and/or change of certain terms and conditions in the Agreement during the term of this Agreement. The County reserves the right to add and/or change such provisions as required by the County's Board of Supervisors or Chief Executive Officer. To implement such requirements, a written Amendment to the Agreement shall be prepared by the County and executed by the Contractor and the Director, or his/her designee."

6. Agreement Exhibit C, County's Administration, is deleted and replaced in its entirety by Exhibit C-1, attached hereto and incorporated herein by reference. All references to Exhibit C in the Agreement shall hereafter be replaced by Exhibit C-1.

7. Except for changes set forth hereinabove, the wording of the Agreement shall not be changed in any respect by this Amendment.

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IN WITNESS WHEREOF, Contractor has executed this Amendment, or caused it to be duly executed and the County of Los Angeles, by order of its Board of Supervisors has caused this Amendment to be executed on its behalf by the Chairman of said Board and attested by the Executive Officer-Clerk of the Board of Supervisors thereof, the day and year first above written.

I hereby certify that pursuant to
Section 25103 of the Government Code,
a copy of this document has been made

SACHI A. HAMAI
Executive Officer
Clerk of the Board of Supervisors

By *[Signature]*
Deputy



ATTEST:
SACHI A. HAMAI
Executive Officer of the
Board of Supervisors of
The County of Los Angeles

By *[Signature]*

APPROVED AS TO FORM:

John Krattli
County Counsel

By *[Signature]* 9/16/2013
Senior Deputy County Counsel

CONTRACTOR

Caban Resources, LLC

By *[Signature]*
Signature

Robert Caban
Print Name

President
Title

COUNTY OF LOS ANGELES

By *[Signature]*
Chairman, Board of Supervisors

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

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OCT 08 2013

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

77273
Supplement No. 2

COUNTY'S ADMINISTRATION

COUNTY PROJECT DIRECTOR:

Name: Harvey Jones, Jr.
Title: Enterprise HIM Director
Address: 313 N. Figueroa Street
Los Angeles, California 90012
Telephone: (213) 240-7928 Facsimile: (213) 226 -6518
E-Mail Address: hjones@dhs.lacounty.gov

COUNTY PROJECT MANAGER:

LOS ANGELES COUNTY + UNIVERSITY OF SOUTHERN CALIFORNIA (LAC+USC MC)

Name: Shirley Lewis
Title: HIM Director
Address: 1200 North State Street
Los Angeles, California 90033
Telephone: (323) 226-6911 Facsimile: (323) 226-6518
E-Mail Address: slewis@dhs.lacounty.gov

COUNTY CONTRACT PROJECT MONITOR:

Name: Oscar Auteli
Title: Chief Information Officer
Address: 1200 North State Street
Los Angeles, California 90033
Telephone: (323) 409-6866 Facsimile: (323) 226-6518
E-Mail Address: oauteili@dhs.lacounty.gov

COUNTY'S ADMINISTRATION

COUNTY PROJECT DIRECTOR:

Name: Harvey Jones, Jr.
Title: Enterprise HIM Director
Address: 313 N. Figueroa Street
Los Angeles, California 90012
Telephone: (213) 240-7928 Facsimile: (213) -6518
E-Mail Address: hjones@dhs.lacounty.gov

COUNTY PROJECT MANAGER:

HARBOR – UCLA MEDICAL CENTER (H-UCLA MC)

Name: Valeriea Ceasar
Title: HIM Director
Address: 1000 West Carson Street
Torrance, California 90502
Telephone: (310) 222-2045 Facsimile: (310) 782-0430
E-Mail Address: vcaesar@dhs.lacounty.gov

COUNTY CONTRACT PROJECT MONITOR:

Name: Sandy Mungovan
Title: Chief Information Officer
Address: 1000 West Carson Street
Torrance, California 90502
Telephone: (310) 222-2045 Facsimile: (310) 782-0430
E-Mail Address: smungovan@dhs.lacounty.gov

COUNTY'S ADMINISTRATION

COUNTY PROJECT DIRECTOR:

Name: Harvey Jones, Jr.
Title: Enterprise HIM Director
Address: 313 N. Figueroa Street
Los Angeles, California 90012
Telephone: (213) 240-7928 Facsimile: (213) -
E-Mail Address: hjones@dhs.lacounty.gov

COUNTY PROJECT MANAGER:

RANCHO LOS AMIGOS NATIONAL REHABILITATION CENTER (RLANRC)

Name: Dana Kearney
Title: HIM Director
Address: 7601 East Imperial Hwy.
Downey , California 90242
Telephone: (562) 401-7150 Facsimile:
E-Mail Address: dakearney@dhs.lacounty.gov

COUNTY CONTRACT PROJECT MONITOR:

Name: Jorge Orozco
Title: Chief Executive Officer
Address: 7601 East Imperial Hwy.
Downey, California 90242
Telephone: (562) 401-7022 Facsimile:
E-Mail Address: jorozco@dhs.lacounty.gov

COUNTY'S ADMINISTRATION

COUNTY PROJECT DIRECTOR:

Name: Harvey Jones, Jr.
Title: Enterprise HIM Director
Address: 313 N. Figueroa Street
Los Angeles, California 90012
Telephone: (213) 240-7928 Facsimile: (213)
E-Mail Address: hjones@dhs.lacounty.gov

COUNTY PROJECT MANAGER:

HIGH DESERT MULTI-SERVICE AMBULATORY CARE CENTER (HD MACC)

Name: Sharon Nolan
Title: Medical Records Director
Address: 44900 N. 60th St. West
Lancaster Ca. 93536
Telephone: (661) 945-8267 Facsimile: (661)-
E-Mail Address: snolan@dhs.lacounty.gov

COUNTY CONTRACT PROJECT MONITOR:

Name: Susan Aintalian
Title: Chief Information Officer
Address: 44900 N. 60th St. West
Lancaster Ca. 93536
Telephone: (818) 364-4515 Facsimile: (661)-
E-Mail Address: saintailian@dhs.lacounty.gov